

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2186 - HB 2504

March 11, 2012

SUMMARY OF BILL: Requires the court, during a competency hearing or a hearing to determine the defendant's mental capacity during the commission of a crime, to hear testimony as to whether a defendant charged with a criminal offense poses a substantial likelihood of serious harm. Requires the court to order the defendant to be hospitalized, rather than evaluated on an outpatient basis, if it is determined that the defendant poses a substantial likelihood of serious harm.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Net Impact - \$2,837,600

Increase Local Expenditures - \$16,700

Assumptions:

- According to the Department of Mental Health (DMH), there were 2,082 ordered outpatient evaluations of criminal defendants in FY10-11. Approximately 481 were referred for inpatient evaluation and the remaining 1,601 offenders were solely evaluated on an outpatient basis.
- According to DMH, the exact increase in alleged offenders that would receive an inpatient evaluation instead of an outpatient evaluation cannot be determined, but is reasonably estimated to be 10 percent, or 160 evaluations.
- According to DMH, the average amount charged for an outpatient evaluation is \$577.60. The average cost per day of an inpatient evaluation is \$877 per day and the evaluation averages 21 days resulting in an average cost per inpatient evaluation of \$18,417 (\$877 x 21 days). The net increase for an inpatient evaluation instead of an outpatient evaluation is \$17,839 (\$18,417 - \$577.60).
- The net recurring increase in state expenditures for 160 offenders to receive an inpatient evaluation instead of an outpatient evaluation is \$2,854,240 (\$17,839 x 160).
- Of the 1,601 offenders, 23 percent were for misdemeanor crimes that the counties are responsible for the costs of the evaluations.
- According to DMH, most counties have entered into cooperative agreements with the Department to pay the \$450 per diem rate (same as the TennCare managed care rates) for inpatient evaluations.

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- The recurring increase in local expenditures for 23 percent, or 37 offenders (160 x 23.0%), to receive inpatient evaluations instead of outpatient evaluations is \$16,650 (\$450 x 37).
- The net recurring increase in state expenditures as a result of this bill is \$2,837,590 (\$2,854,240 - \$16,650).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/kml